

## **The complaint**

R, a sole trader complains LDF Operations Limited trading as White Oak ("LDF") told him his application for finance had been declined due to adverse credit when there is nothing adverse on his credit record.

## **What happened**

R applied for business finance with LDF. He was told a third party lender had declined his application. LDF confirmed the reason for the decline, provided by the lender, was due to adverse information and that the request for finance fell outside their risk appetite. R wanted to appeal this refusal as he said there was no adverse information on his credit file. LDF were not in agreement to doing so.

R complained but LDF didn't uphold this. LDF confirmed it wouldn't be appealing the recent declined application and the reason given by the third party lender for the refusal. They gave R details of how to make a DSAR and how to refer the matter to this service which he did.

Our investigator didn't uphold the complaint. He didn't think LDF had acted unfairly by declining to appeal R's finance application refusal. He said credit providers undertook a number of checks and gather information to make a fair lending decision. He explained the examples he gave weren't exhaustive but ultimately a credit provider had the commercial right to exercise whether to accept or reject an application for borrowing. And that credit provider wasn't under any obligation to divulge their reasoning, so it can be difficult to sometimes ascertain why an application was unsuccessful.

Our investigator found the evidence showed LDF were told by the lender that R's application was declined due to adverse information found when conducting their usual searches. He said although the lender may have told R this could be appealed, LDF had also found adverse information when conducting their own searches which meant they were unable to continue with this or any further applications. And LDF weren't required to give further information about their reasons for deciding not to continue with R's application.

R remained unhappy. He said there was no adverse information on his credit file or CIFAS report so our investigators decision was premature. And as LDF had been informed of this situation an appeal should have been allowed. R also said LDF were brokering here not lending. And, as such, any adverse history wouldn't be disclosed by the lender. He thought if LDF was saying otherwise it would be a breach of data protection.

Our investigator reviewed what R and LDF had told him and issued a second view but his proposed outcome remained the same. R didn't accept the decision and asked for his case to be escalated to an ombudsman. He said LDF didn't have access to his credit file as it was a broker. He said information would not be given by a lender to a broker as claimed by LDF. He also thought, in any case, by not allowing an appeal there had been a breach of FCA.

## **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and

reasonable in the circumstances of this complaint.

Having done so I've come to the view this isn't a complaint I can uphold. I'll explain why.

There's very little I can add to what the investigator has already told R here. Lending decisions are commercial ones and not something we will ordinarily become involved in. It's a lender's prerogative to accept or decline based on a number of factors, including their own internal requirements. The information before me shows LDF were initially told by the lender R's application had been declined due to adverse information found when completing its (the lender's) personal searches. There's nothing to support that the lender gave specific information about what that adverse information was. And, I think, if he remains unhappy, that is a matter for R to pursue either with the lender directly or via the Information Commissioners Office.

LDF told us it found adverse information when conducting its own searches which led them to the decision not to continue with this application or any further ones. This decision by LDF - not to persist with R's application to take any further applications forward - is a commercial one. Businesses are entitled to make commercial decisions and they are generally not something this service would get involved in or comment upon.

LDF don't have to give a reason for the decision and as our investigator has highlighted, as the information involved is likely to be commercially sensitive, we wouldn't expect LDF to disclose this to their clients.

Overall, for the reasons I've given, I don't think LDF have done anything wrong here. So, it's not fair or reasonable for me to require them to do anything further.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask R to accept or reject my decision before 27 February 2025.

Annabel O'Sullivan  
**Ombudsman**